

VZCZCXYZ0005
OO RUEHWEB

DE RUEHLP #0938/01 0932117
ZNY CCCCC ZZH
O 032117Z APR 06
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8740
INFO RUEABND/DEA HQS WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RHEHNSC/NSC WASHINGTON DC PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RUMIAAA/USCINCSO MIAMI FL PRIORITY
RUEHAC/AMEMBASSY ASUNCION 5755
RUEHBO/AMEMBASSY BOGOTA 3033
RUEHBR/AMEMBASSY BRASILIA 6905
RUEHBW/AMEMBASSY BUENOS AIRES 4142
RUEHPE/AMEMBASSY LIMA 1399
RUEHMN/AMEMBASSY MONTEVIDEO 3709
RUEHQD/AMEMBASSY QUITO 4095
RUEHSG/AMEMBASSY SANTIAGO 8631

C O N F I D E N T I A L LA PAZ 000938

SIPDIS

SIPDIS

STATE FOR WHA A/S SHANNON AND PDAS SHAPIRO
STATE ALSO FOR WHA/AND PFRENCH, DHENIFIN AND LPETRONI
SECDEF FOR OSD/WHA PARDO-MAURER
TREASURY FOR RTOLOUI AND SGOOCH
USCINCSO ALSO FOR AMB MOORE

E.O. 12958: DECL: 04/03/2016
TAGS: PGOV PREL PINR SNAR BL
SUBJECT: BOLIVIA: A CONCILIATORY MORALES RETRACTS
ANTI-U.S.TERRORISM CHARGES

Classified By: AMBASSADOR DAVID N. GREENLEE FOR REASON 1.5(d)

SUMMARY

¶11. (C) During a private dinner President Evo Morales and Vice President Garcia Linera hosted for the Ambassador, DCM and the Embassy's declared intelligence chief late April 1, Morales backtracked on accusations of U.S. involvement in recent hotel bombings in La Paz, denied targeting the judiciary and other democratic institutions, and reiterated GOB support on the counter-narcotics (CN) front. His conciliatory repositioning came in response to the Ambassador's sharp expressions of concern on those issues and on Morales' subordinates' failure to follow through on his promise to return counter-terrorism weapons to MILGRP custody. Morales' and Garcia Linera's purpose at the dinner seemed to be to close the gap in comity that had been opened by Morales' accusations about the hotel attacks and to measure our support for a GOB delegation to the U.S. to discuss soy and a possible extension of ATPDEA benefits. On leaving, the Ambassador prevailed on Morales to reverse his public stance on the bombings in front of a waiting press scrum and to thank the Embassy for its help apprehending the suspects. Morales was submissive and quiet most of the evening and his olive branch was welcome--but we fully expect our relationship to suffer more Morales-inflicted wounds in the future. End summary.

¶12. (C) VP Garcia Linera called late March 31 to invite the Ambassador and emboffs to dinner with the Vice President and Morales at the President's residence April 1. Morales arrived about twenty minutes late but established a positive mood by excessively apologizing for his delay and sticking to light banter, mainly with the Vice President, for about a half hour before dinner.

MORALES RETRACTS BOMBING ACCUSATION

¶13. (C) The tone changed at the table, however, when, at Morales' query of "what's new," the Ambassador asked sharply why he had made four public statements insinuating official U.S. involvement in the La Paz hotel bombings. Morales blamed his first accusation on poor information but had no explanation for subsequent inflammatory statements. He also claimed ignorance when our intelligence chief explained that a police unit we train and support investigated the blast and netted the suspects within a few hours. We added that the national police chief and the Minister of the Presidency were involved in the investigation from the outset, knew which unit had conducted it, and either misinformed or failed to inform the President about the facts. The Ambassador also reminded Morales that the American suspect had entered Bolivia with a valid visa affixed to a fantasy passport (World Service Authority) and had obtained a license to use and sell explosives in Potosi despite a well-known, multi-national list of prior crimes. The blame, therefore, should not be laid on the U.S., but rather on Bolivian incompetence. The Ambassador suggested that, to put the matter behind us, it would be useful for Morales to correct the record publicly. Morales nodded slightly and said he might be willing, at some point, to do so.

DELAY IN CT WEAPONS TRANSFER

¶14. (C) The Ambassador reminded Morales that we had cut all ties with an elite counter-terrorism unit and asked why the Minister of Defense had failed to follow through on the President's promise to return the unit's U.S.-owned weapons and equipment to MILGRP custody. Morales wondered if we had provided documentation on the materiel for his staff to review and seemed surprised to learn that we had done so two weeks previously. He suggested that his attention had been diverted by the Lloyd Bolivian Airlines meltdown and other looming problems, but said he would take up the issue early in the week with the high command on his return from the IDB summit in Brazil. Vice President Garcia Linera asked whether he could see the MILGRP warehouse in El Alto where the weapons and equipment would be placed. The Ambassador said we would be pleased to arrange such a visit at his convenience -- and he could also see the other equipment stored there for possible future use by the Bolivian armed forces.

MILITARY FRICTIONS

¶15. (C) The Ambassador went on to advise that the delay in the transfer had hurt other areas of cooperation, including abandoning planned construction of a civil defense emergency operations center, and seemed to fit a pattern of creeping estrangement between our militaries, such as new access restrictions for our attaches. He said it would be unfortunate for our relationship if we were forced down the road of tit-for-tat reciprocity on access or other issues.

¶16. (C) Garcia Linera retorted that unfriendly signals were coming from our side as well, citing as proof our refusal to support with NAS helicopters a recent planned presidential visit to a flood-ravaged Santa Cruz town. The Ambassador responded that an earlier flight, at our considerable expense, produced only thanks to Cuban doctors and silence for us. We viewed that as an intentional slap, the Ambassador said, and noted that we had not even received a letter of thanks. Garcia Linera smiled darkly. Morales looked at his plate.

ERODING DEMOCRACY

¶ 7. (C) The Ambassador said that there was an issue of broader concern relating to the evolution of Bolivia's democracy. While we respected the legitimacy of Morales' overwhelming election triumph -- and wanted him to succeed as a democratic president -- we had noted moves to dismember the opposition and amass power in the executive. These included direct attacks on the judiciary and other independent institutions, and the subsequent resignation of top officials on the Supreme Court, the Constitutional Tribunal, the Judicial Council and the National Electoral Court. Additionally, four ex-Presidents were facing politically inspired criminal charges (three for authorizing gas contracts and one for the Chinese missile transfer), while other former senior officials or alleged "enemies of the state" were either in jail or possibly on their way there.

¶ 8. (C) Again assuming his counterpoint role, Garcia Linera rebutted that the new administration respected democratic institutions and neither pressured nor advocated resignations from the judiciary, but said it also was committed to rooting out corruption wherever it prospered, even to the hypothetical point of condemning their own families to jail. He added that the governing MAS party was itself a study in pluralism and did not seek a controlling majority in the upcoming constituent assembly. The Ambassador said all this bore further discussion, but we would remain sharply attentive to the integrity of Bolivian democracy.

CN/CT

¶ 9. (C) On the counternarcotics front, the Ambassador agreed that the GOB had been effective in interdiction, but said eradication had fallen off significantly. While Garcia Linera tried to split hairs about historically acceptable rates for pulling coca plants, Morales acknowledged problems in the Chapare but said he could manage them; the Yungas, he mused, was a different and more frightening proposition for which he had no ready answers. The Ambassador suggested that improved eradication might set the stage for a successful visit by INL Assistant Secretary Anne Patterson, whom Morales said he was looking forward to meeting. After characterizing the FARC as a narcotics trafficking organization, the intel chief noted the presence in the Morales government of a prominent FARC contact, leftist Bolivian journalist Hugo Moldiz, as another mixed signal from an administration ostensibly fighting the narco trade. Garcia Linera acknowledged Moldiz might have had contacts with the FARC, while commenting, as one who himself had been "connected with the subversive world," that Moldiz was really a man of the right rather than the left.

BOLIVIAN-COLOMBIAN DELEGATION VISIT

¶ 10. (C) What may have been the real aim of the evening--getting planning back on track for a high-level visit to Washington to discuss Bolivian soy within the Colombia FTA and to pursue extension of ATPDEA benefits--emerged only at the end of the dinner. To Morales' round-about query about the thinking in Washington, the Ambassador responded that we were prepared to discuss a visit by a joint Bolivian-Colombian delegation anytime, but the visit itself should be well prepared and might not be useful before May or June. Morales and Garcia Linera seemed comfortable with that timeframe.

PUBLIC RETRACTION

¶ 11. (C) As we broke from the table, Garcia Linera said the media had gathered and wanted brief statements, presumably relating to the improved mood and our continued bilateral cooperation. The Ambassador insisted that we take the

opportunity to clear the record on Morales' damaging remarks on the bombing incident. Morales reluctantly agreed, and his subsequent public retraction was carried in all print and television media the following two days.

COMMENT

¶12. (C) If past experience is indicative, Morales will restrain his anti-U.S. impulse for a while, but could well deliver another anti-U.S. outburst in the near term. Meantime, our public restraint and willingness to stay engaged are keeping us on the moral high ground with the media and the chattering class. Morales, however, continues to sail in polls that rate his popularity at 80 percent, despite widely reported missteps with us and others. End comment.

GREENLEE